GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:415
ANSWERED ON:22.08.2000
REVIVAL OF CIL
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of COAL be pleased to state:

(a) whether the Government have been actively considering to restructure the Coal India Limited;

(b) if so, the details thereof;

(c) whether the upgradation and modernization of some subsidiaries under CIL is also under the consideration of the Government;

(d) if so, the details thereof;

(e) the time by which the entire restructuring of Coal India Limited is likely to be achieved?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in the answer to parts (a) to (e) of the Lok Sabha Starred Question No. 415 for 22.8.2000.

(a) & (b): In July, 1996 certain measures were taken by the Central Government to restructure the capital base of CIL. These measures were
(i) moratorium on repayment of outstanding interest free non-plan loan of Rs.432.64 crores (owed by CIL to the Government as on 31.3.92) till 1998-99

(ii) waiver of overdue interest of Rs.891.75 crores payable by CIL as on 31.3.92 and penal interest of Rs.138.48 crores on government loan to CIL due from 1.4.95 to 31.3.96 and
(iii) conversion of outstanding plan loan amounting to Rs.904.18 crores due from CIL as on 31.3.92into non-cumulative 10% preference shares redeemable from the profits in the year 2003-04.
In the year 1998, an internal exercise of restructuring of capital and debt profile of the subsidiary companies of CIL was carried out. As a result of the internal capital restructuring the paid up equity capital of Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) increased by Rs.1179.45 crores and Rs.996.00 crores respectively by conversion of their debt to CIL into equity.

The physical structure of Coal India Limited (CIL) had been considered by the Governmenton several occasions. The Committee on Public Undertakings (COPU) had also examined the matter.The Ministry of Coal had submitted before the COPU that the holding-subsidiary structure of CIL was appropriate. The existing structure of CIL is proper for the present till the structure of coal industry undergoes change.

(c) & (d): Two subsidiary companies of CIL namely, the Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL have been incurring losses. CIL had engaged IndustrialCredit and Investment Corporation of India Limited (ICICI) to suggest measures for revival of ECL and BCCL.The ICICI report on ECL revival has been received in the Ministry of Coal.However, no final decision on the revival package for ECL has been taken. The report on revival of BCCL has not yet been received in the Ministry of Coal. However, induction of new technologies in various operational areas of CIL subsidiaries for the purposes of upgradation and modernization is a continuous process.

(e): Does not arise in view of the answer to parts (a) & (b) of the question.